

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF PENNSYLVANIA

SECURITIES AND EXCHANGE  
COMMISSION

Plaintiff,

v.

DEAN PATRICK MCDERMOTT  
and MCDERMOTT INVESTMENT  
ADVISORS, LLC,

Defendants, and

MCDERMOTT INVESTMENT  
SERVICES, LLC,

Relief Defendant.

Civil Action No. 19-CV-04229- KSM

**ORDER ESTABLISHING A FAIR FUND, APPOINTING A TAX ADMINISTRATOR,  
DIRECTING THE TRANSFER OF FUNDS, AND AUTHORIZING THE SEC TO  
APPROVE PAYMENT OF THE TAX OBLIGATIONS AND THE FEES AND  
EXPENSES OF THE TAX ADMINISTRATOR WITHOUT FURTHER COURT ORDER**

The Court, having reviewed the Motion of Plaintiff Securities and Exchange Commission (“SEC”) for an order establishing a Fair Fund, appointing Heffler, Radetich & Saitta, LLP (“HRS”) as tax administrator (“Tax Administrator”), directing the transfer of funds to the SEC, and authorizing the SEC to approve the payment of the tax obligations and the fees and expenses of the Tax Administrator without further Court order (the “Motion”);

AND counsel for the Defendants and the Relief Defendant having informed counsel for the SEC that the Defendants and the Relief Defendant do not oppose the relief requested by the Motion;

AND for good cause shown;

**IT IS HEREBY ORDERED:**

1. The Motion is GRANTED.
2. A Fair Fund is established pursuant to Section 308(a) of the Sarbanes Oxley Act of 2002, 15 U.S.C. §7246(a), for all funds under the Court's jurisdiction in the captioned matter, including any accrued interest (the "Fair Fund").
3. HRS is appointed Tax Administrator to execute all income tax reporting requirements, including the preparation and filing of tax returns, for the Fair Fund.
4. HRS shall be designated the Tax Administrator of the Fair Fund, pursuant to Section 468B(g) of the Internal Revenue Code (IRC), 26 U.S.C. § 468B(g), and related regulations, and shall satisfy the administrative requirements imposed by those regulations, including but not limited to (a) obtaining a taxpayer identification number, (b) filing applicable federal, state, and local tax returns and paying taxes reported thereon out of the Fair Fund, and (c) satisfying any information, reporting, or withholding requirements imposed on distributions from the Fair Fund. Upon request, the Tax Administrator shall provide copies of any filings to the SEC's counsel of record.
5. The Tax Administrator shall, at such times as the Tax Administrator deems necessary to fulfill the tax obligations of the Fair Fund, submit a request to the SEC's counsel of record for payment from the Fair Fund of any tax obligations of the Fair Fund.
6. The Tax Administrator shall be entitled to charge reasonable fees for tax compliance services and related expenses in accordance with its agreement with the SEC for the Tax Years 2022 through 2024. The Tax Administrator shall, at such times as the Tax Administrator deems appropriate, submit a request to the SEC's counsel of record for payment of fees and expenses from the Fair Fund.
7. The Clerk of Court is directed to transfer all funds currently held in the Court

Registry Investment System (“CRIS”) account in the captioned matter, net any CRIS fees, to the SEC. The Clerk shall cause the check to be made payable to the SEC and shall send the check, and a copy of this Order, to:

Enterprise Services Center  
Accounts Receivable Branch  
HQ Bldg, Room 265, AMK-326  
6500 South MacArthur Boulevard  
Oklahoma City, OK 73169

Upon receiving the transfer from the CRIS account, the SEC will hold the funds in an SEC-designated account at the United States Department of the Treasury, pending further Order of this Court. Accrued interest, if any, will be added to, and become a part of, the Fair Fund.

8. The SEC is authorized to approve and arrange payment of all tax obligations owed by the Fair Fund and the fees and expenses of the Tax Administrator directly from the Fair Fund without further approval of this Court. All payments for taxes and the fees and expenses of the Tax Administrator shall be reported to the Court in a final accounting.

**IT IS SO ORDERED.**

Dated: \_\_02/23/2023\_\_

*/s/Karen Spencer Marston*  
KAREN SPENCER MARSTON, J.